

BGK:MMO
F. #2022V03577

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

Plaintiff,

-against-

AFFIDAVIT OF SPECIAL
AGENT KENNETH WOLF

REAL PROPERTY AND PREMISES KNOWN AS 432
NORTH OAKHURST DRIVE, CONDOMINIUM UNIT
103, BEVERLY HILLS, CALIFORNIA 90210, AND ALL
PROCEEDS TRACEABLE THERETO;

22-CV-7410 (DLI) (PK)

REAL PROPERTY AND PREMISES KNOWN AS 432
NORTH OAKHURST DRIVE, CONDOMINIUM UNIT
203, BEVERLY HILLS, CALIFORNIA 90210, AND ALL
PROCEEDS TRACEABLE THERETO;

ANY AND ALL FUNDS ON DEPOSIT IN STIFEL
NICOLAUS & CO. ACCOUNT NUMBER ENDING
IN 9142, HELD IN THE NAME OF 7D BUSINESS
BUREAU INC., AND ALL PROCEEDS TRACEABLE
THERETO; and

ANY AND ALL FUNDS ON DEPOSIT IN CITIZENS
BUSINESS BANK ACCOUNT NUMBER ENDING IN
7135, HELD IN THE NAME OF 7D BUSINESS BUREAU
INC., AND ALL PROCEEDS TRACABLE THERETO,

Defendants *In Rem*.

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I, Kenneth Wolf, hereby declare pursuant to 28 U.S.C. § 1746, under penalty of
perjury, the following:

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI") and
have been so employed as a Special Agent for approximately seven (7) years. I have participated
in numerous investigations of violations of federal offenses, including counterintelligence,
sanctions violations, illicit finance and money laundering and I have reviewed and analyzed
numerous records of financial crimes.

2. This affidavit is based upon my training and experience as well as my personal involvement in the underlying investigation, including my review of financial documents, interviews of witnesses, and other evidence gathered by me and other law enforcement officers.

3. This affidavit is made in support of the United States' Motion to Strike the Claims Filed by 7D Business Bureau, Inc. ("7D") and 73DT Business Properties, LLC ("73DT") Under the Fugitive Disentitlement Doctrine.

The Criminal and Civil Forfeiture Allegations

4. On December 7, 2022, the government filed the above-captioned civil forfeiture complaint. *See* Docket Entry ("DE") 1. The civil forfeiture complaint seeks forfeiture of: (1) the real property and premises known as 432 North Oakhurst Drive, Condominium Unit 103, Beverly Hills, California 90210, together with its appurtenances, improvements, fixtures, easements, furnishings and attachments thereon, as well as all leases, rents and profits therefrom, and all proceeds traceable thereto ("Unit 103"); (2) the real property and premises known as 432 North Oakhurst Drive, Condominium Unit 203, Beverly Hills, California 90210, together with its appurtenances, improvements, fixtures, easements, furnishings and attachments thereon, as well as all leases, rents and profits therefrom, and all proceeds traceable thereto ("Unit 203"); (3) any and all funds on deposit in Stifel Nicolaus & Co. account number ending in 9142, held in the name of 7D Business Bureau Inc., and all proceeds traceable thereto (the "Stifel Account"); and (4) any and all funds on deposit in Citizens Business Bank account number ending in 7135, held in the name of 7D Business Bureau Inc., and all proceeds traceable thereto (the "Citizens Account") (collectively, the "Defendants *In Rem*"), as: property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956 and/or 1957, or property traceable to such property; property, real or personal, which constitutes or is derived from

proceeds traceable to a violation of 18 U.S.C. § 1344, and/or 50 U.S.C. § 1705(a) (International Emergency Economic Powers Act (“IEEPA”)), or a conspiracy to commit such offenses; and/or as property involved in a violation of 31 U.S.C. § 5335, or a conspiracy to commit such violation, and property traceable thereto. *Id.*

5. On September 26, 2022, prior to the filing of the civil complaint, an Indictment was returned by a grand jury in the Eastern District of New York charging Andrii Derkach (“Derkach”) with: (1) conspiracy to violate IEEPA, in violation of 50 U.S.C. §§ 1705(a) and (c); (2) bank fraud conspiracy, in violation of 18 U.S.C. § 1349; (3) money laundering conspiracy, in violation of 18 U.S.C. § 1956(h); and (4) engaging in monetary transactions in property derived from specified unlawful activity (“SUA”), in violation of 18 U.S.C. § 1957. *See* Criminal Case, DE 3. On December 7, 2022, the Indictment was unsealed. *See* DE 7.

6. The Criminal Case garnered significant world-wide media attention. The following exhibits contains articles published on the internet by Reuters, The Times of Israel, The New York Times, the Associated Press, CNN, Fox News, and the Toronto Star. Exhibit A: Luc Cohen, *Alleged Russian agent charged in U.S. with sanctions violations, money laundering*, Reuters (Dec. 7, 2022), <https://www.reuters.com/world/russian-agent-bought-beverly-hills-condos-violating-sanctions-us-prosecutors-2022-12-07/>; Exhibit B: AFP, *US charges alleged Russian spy with fraud, money laundering*, The Times of Israel (Dec. 7, 2022), <https://www.timesofisrael.com/us-charges-alleged-russian-spy-with-fraud-money-laundering/>; Exhibit C: William K. Rashbaum and Rebecca Davis O’Brien, *Ukrainian Accused of Election Interference Charged with Money Laundering*, The New York Times (Dec. 7, 2022), <https://www.nytimes.com/2022/12/07/nyregion/andriy-derkach-money-laundering-ukraine.html>; Exhibit D: Larry Neumeister and Eric Tucker, *Ukraine ex-lawmaker, alleged Russian agent*,

faces US charges, Associated Press (Dec. 7, 2022), <https://apnews.com/article/biden-indictments-ukraine-government-united-states-and-politics-105c9d332a43192c7a8eb17b4a9e850a>; Exhibit E: Hannah Rabinowitz and Holmes Lybrand, *Alleged Russian intelligence agent charged with violating US sanctions and money laundering*, CNN (Dec. 7, 2022), <https://www.cnn.com/2022/12/07/politics/russia-intel-agent-charged-us-sanctions-2020-elections/index.html>; Exhibit F: *Ukrainian lawmaker who acted as a Russian agent has been criminally charged in New York*, Fox News (Dec. 7, 2022), <https://www.foxnews.com/us/ukrainian-lawmaker-acted-russian-agent-been-criminally-charged-new-york>; Exhibit G: Larry Neumeister and Eric Tucker, *Ukraine ex-lawmaker, alleged Russian agent, faces US charges*, Toronto Star (Dec. 7, 2022), <https://www.thestar.com/news/world/us/2022/12/07/ukraine-ex-lawmaker-alleged-russian-agent-faces-us-charges.html>.

7. On January 23, 2023, a Superseding Indictment was returned, which charged Derkach's wife, Oksana Terekhova ("Terekhova"), with the same crimes as Derkach. *See United States v. Andrii Derkach and Oksana Terekhova*, 22-CR-432 (S-1) (DLI) (E.D.N.Y.) (the "Criminal Case"), DE 9.

8. Although Derkach and Terekhova appear to have divorced in or about February 2020, evidence obtained through the investigation revealed that Derkach and Terekhova's younger daughter stated, in sum and substance, to a witness with whom she confided, that the divorce was a sham for the purposes of protecting the family's assets.

Ownership of 7D and 73DT

9. Information obtained through financial records, interviews of Yosef Manela, and from other sources during the course of the investigation revealed that Terekhova and Derkach utilized a multi-tiered structure of California-based shell companies -- namely, 7D

and 73DT -- to purchase and maintain, and to conceal Derkach's interest in, the Defendants *In Rem*. Specifically, the defendants *in rem* Stifel Account and Citizens Account were established in the name of 7D, and the defendants *in rem* Unit 103 and Unit 203 were purchased in the name of 73DT.

10. A review of bank records obtained during the course of the investigation revealed that funds in the Stifel Account, which originated from the overseas accounts in Latvia and Switzerland belonging to shell companies registered in the British Virgin Islands, were transferred to the Citizens Account and then used to pay expenses relating to Unit 103 and Unit 203.

11. 7D is a California corporation that was incorporated by the nominee, Yosef Manela ("Manela"), on or about July 25, 2013. Attached hereto as Exhibit H is a copy of the Articles of Incorporation of a General Stock Corporation for 7D that was filed with the State of California, Office of the Secretary of State, on July 25, 2013, which was obtained from the California Secretary of State's website, <https://bizfileonline.sos.ca.gov/search/business>, and which reflects that 7D is a California corporation that was incorporated by Manela on or about July 25, 2013.

12. Terekhova is the sole shareholder of record of 7D. Attached hereto as Exhibit I is a redacted¹ copy of the Written Consent To Action Without Formal Meeting And To Approve Various Resolutions Via Telephonic Meeting And Signature of Appropriate Corporate Resolutions that was provided to me by Manela, which reflects that Terekhova is the sole shareholder of record of 7D.

¹ Exhibit I was redacted to conceal part of a bank account number.

13. 73DT is a California limited liability company that was organized by the nominee on or about July 25, 2013. Attached hereto as Exhibit J is a copy of the Articles of Organization of a Limited Liability Company (LLC) for 73DT that was filed with the State of California, Office of the Secretary of State, on July 25, 2013, which was obtained from the California Secretary of State's website, <https://bizfileonline.sos.ca.gov/search/business>, and which reflects that Manela established 73DT on or about July 25, 2013.

14. 7D is the "Managing Member" of record for 73DT. The Written Consent To Action Without Formal Meeting And To Approve Various Resolutions Via Telephonic Meeting And Signature of Appropriate Corporate Resolutions reflects that 7D is the Managing Member of 73DT. *See* Exhibit I at p. 1.

Derkach and Terekhova's Knowledge of the Criminal Case

15. Derkach was sanctioned on September 10, 2020. The investigation revealed that on the same day Derkach was sanctioned, he posted a message on Facebook criticizing the sanctions against him. In addition, law enforcement surveillance revealed that on the same day Derkach was sanctioned, his and Terekhova's younger daughter moved out of the defendant *in rem* condominium in which she had been residing.

16. The investigation additionally revealed that Derkach, Terekhova and their family had prepared for and were expecting the sanctions and related criminal and civil litigation against Derkach and his interests. This is based, in part, on the surveillance which revealed that, on the same day Derkach was sanctioned in 2020, Derkach and Terekhova's younger daughter moved out of the defendant *in rem* condominium in which she had been living. Interviews of witnesses further revealed that, before fleeing the United States in August of 2021, Derkach and Terekhova's younger daughter had been concerned that government authorities would seize Unit

103 and Unit 203 and look for her at those properties, so she moved from the defendant *in rem* condominium to a new location within the United States and changed her phone numbers.

17. Information obtained through interviews of witnesses during the investigation also revealed that Derkach and Terekhova's younger daughter had been informed by a friend of hers about the government's forfeiture action against Unit 103 and Unit 203, and that she told her friend that she had been expecting the government to take such action.

18. It appears, based on information obtained during the course of the investigation, including representations made by Manela's counsel, that Manela ceased working on behalf of Derkach and Terekhova at some point after the Superseding Indictment was returned.

There is No Evidence That Derkach or Terekhova are Confined or In Custody in Another Jurisdiction

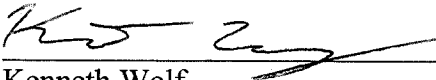
19. I am unaware of any facts to suggest that Terekhova or Derkach are confined or otherwise held in custody in another jurisdiction

Terekhova and Her Family's Actions Have Demonstrated Their Intent to Flee the United States and Not Return

20. Information obtained by law enforcement during the course of the investigation revealed that, between 2013 and 2020, Derkach and Terekhova came to the United States on numerous occasions to, *inter alia*, meet with Manela and a wealth manager, to view real estate, and to reside in one of the defendant *in rem* condominiums. Derkach and Terekhova's younger daughter resided in one of the defendant *in rem* condominiums between around 2018 and 2020. Documents from the homeowners association for the defendant *in rem* condominiums also reflect that, in December 2020, the listed residents/representatives of Unit 103 and Unit 203 included Derkach's and Terekhova's children, and Derkach's parents.

21. The investigation revealed that Terekhova's last travel to the United States was in January 2020; Derkach's last travel to the United States was in February 2020; Derkach and Terekhova's eldest daughter's last travel to the United States was in February 2020; and Derkach and Terekhova's younger daughter fled the United States in August 2021 and has not returned.

Dated: Central Islip, New York
July 17, 2023


Kenneth Wolf
Special Agent
Federal Bureau of Investigation